

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/9/11

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Council on Alcoholism and Drug Abuse  
of Northwest Louisiana, Inc.  
Shreveport, Louisiana

I have audited the accompanying statement of financial position of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. (a non-profit organization) as of and for the year ended June 30, 2010. These financial statements are the responsibility of Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated December 10, 2010 on my consideration of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of state contracts listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. That schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The supplementary financial information on page 10 is not a required part of the financial statements, but is supplementary information required by OMB Circular A-133. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

*Marsha O. Millican*

Certified Public Accountant  
December 10, 2010

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## COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

## Statement of Financial Position

June 30, 2010

## ASSETS

## CURRENT ASSETS

|                                 |            |
|---------------------------------|------------|
| Cash and Cash Equivalents       | \$ 454,124 |
| Grants and Contracts Receivable | 405,250    |
| Pledges Receivable, Net         | 64,201     |
| Prepaid Expenses                | 75,157     |
| Investment                      | 48,818     |
| Other                           | <u>227</u> |

|                      |                  |
|----------------------|------------------|
| Total Current Assets | <u>1,047,777</u> |
|----------------------|------------------|

|                              |                  |
|------------------------------|------------------|
| PROPERTY AND EQUIPMENT (NET) | <u>1,318,639</u> |
|------------------------------|------------------|

## OTHER ASSETS

|                                |            |
|--------------------------------|------------|
| Pledges Receivable - Long Term | 195,006    |
| Investment in Partnership      | 15,000     |
| Deposits                       | <u>720</u> |

|  |                |
|--|----------------|
|  | <u>210,726</u> |
|--|----------------|

|              |                            |
|--------------|----------------------------|
| Total Assets | <u><u>\$ 2,577,142</u></u> |
|--------------|----------------------------|

## LIABILITIES AND NET ASSETS

|                                       |               |
|---------------------------------------|---------------|
| Accounts Payable and Accrued Expenses | \$ 139,597    |
| Compensated Absences Payable          | 40,589        |
| Notes Payable - Current Maturities    | <u>33,369</u> |

|                           |                |
|---------------------------|----------------|
| Total Current Liabilities | <u>213,555</u> |
|---------------------------|----------------|

## LONG-TERM LIABILITIES

|  |                |
|--|----------------|
| Notes Payable - net of Current Portion | <u>140,212</u> |
|--|----------------|

|                   |         |
|-------------------|---------|
| Total Liabilities | 353,767 |
|-------------------|---------|

## Net Assets:

|                        |           |
|------------------------|-----------|
| Unrestricted           | 2,223,375 |
| Temporarily Restricted | <u>-</u>  |

|                  |                  |
|------------------|------------------|
| Total Net Assets | <u>2,223,375</u> |
|------------------|------------------|

|                                  |                            |
|----------------------------------|----------------------------|
| Total Liabilities and Net Assets | <u><u>\$ 2,577,142</u></u> |
|----------------------------------|----------------------------|

The accompanying notes are an integral part of this statement.

## COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC

## Statement of Activities

For the Year Ended June 30, 2010

|   | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>        |
|---|---------------------|-----------------------------------|-----------------------------------|---------------------|
| <b>SUPPORT AND REVENUE:</b>                           |                     |                                   |                                   |                     |
| Support:  |                     |                                   |                                   |                     |
| Contributions   | \$ 411,807          | \$ -                              | \$ -                              | \$ 411,807          |
| Grants  | -                   | -                                 | -                                 | -                   |
| Allocations from Federal<br>Fund Raising Organization | 37,385              | -                                 | -                                 | 37,385              |
| Total Support   | <u>449,192</u>      | <u>-</u>                          | <u>-</u>                          | <u>449,192</u>      |
| Revenues:   |                     |                                   |                                   |                     |
| Client Fees   | 127,262             | -                                 | -                                 | 127,262             |
| Program Service Fees                                  | 3,402,886           | -                                 | -                                 | 3,402,886           |
| Rental Revenue  | 5,272               | -                                 | -                                 | 5,272               |
| Miscellaneous   | 16,641              | -                                 | -                                 | 16,641              |
| Total Revenues  | <u>3,552,061</u>    | <u>-</u>                          | <u>-</u>                          | <u>3,552,061</u>    |
| Total Support and Revenue                             | <u>4,001,253</u>    | <u>-</u>                          | <u>-</u>                          | <u>4,001,253</u>    |
| Net Assets Released from Restrictions:                |                     |                                   |                                   |                     |
| Satisfaction of Usage Restrictions                    | -                   | -                                 | -                                 | -                   |
| Total Support and Revenue                             | <u>4,001,253</u>    | <u>-</u>                          | <u>-</u>                          | <u>4,001,253</u>    |
| <b>EXPENSES</b>                                       |                     |                                   |                                   |                     |
| Program Expenses                                      | 3,230,265           | 1,263                             | -                                 | 3,231,528           |
| Management and General                                | 529,134             | -                                 | -                                 | 529,134             |
| Total Expenses  | <u>3,759,399</u>    | <u>1,263</u>                      | <u>-</u>                          | <u>3,760,662</u>    |
| Change in Net Assets                                  | 241,854             | (1,263)                           | -                                 | 240,591             |
| Net assets, beginning of year                         | <u>1,981,521</u>    | <u>1,263</u>                      | <u>-</u>                          | <u>1,982,784</u>    |
| Net assets, end of year                               | <u>\$ 2,223,375</u> | <u>\$ -</u>                       | <u>\$ -</u>                       | <u>\$ 2,223,375</u> |

The accompanying notes are an integral part of this statement.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Statement of Functional Expenses

Year Ended June 30, 2010

|                       | <u>Caddo-<br/>Bossier<br/>Center</u> | <u>Adolescent<br/>Center</u> | <u>Buckhalter<br/>Program</u> | <u>Employee<br/>Assistance<br/>Program</u> | <u>STEPS</u>     | <u>Family<br/>Success<br/>Institute</u> | <u>Caddo Adult<br/>Drug Court</u> |
|-----------------------|--------------------------------------|------------------------------|-------------------------------|--|------------------|---|-----------------------------------|
| Salaries              | \$98,949                             | \$264,575                    | \$181,002                     | \$52,428                                   | \$155,722        | \$316,221                               | \$154,762                         |
| Payroll Taxes         | 7,259                                | 19,389                       | 13,259                        | 3,877                                      | 11,339           | 23,216                                  | 11,571                            |
| Building Rent         | 0                                    | 1,424                        | 5,400                         | 0  | 18,000           | 1,424                                   | 0                                 |
| Equip Rent/Lease      | 234                                  | 580                          | 584                           | 86   | 292              | 983                                     | 85                                |
| Fundraising Expense   | 261                                  | 264                          | 264                           | 261  | 261              | 264                                     | 287                               |
| Utilities & Telephone | 1,562                                | 16,508                       | 3,059                         | 5,919                                      | 5,470            | 28,315                                  | 7,088                             |
| Auto Expense          | 2,845                                | 2,295                        | 8,024                         | 331  | 4,821            | 4,206                                   | 422                               |
| Insurance             | 15,715                               | 39,061                       | 31,172                        | 11,246                                     | 32,595           | 45,985                                  | 18,215                            |
| Training & Travel     | 1,125                                | 2,558                        | 1,944                         | 125  | 1,000            | 3,839                                   | 6,743                             |
| Food                  | 25,054                               | 41,019                       | 50,954                        | 0  | 11,526           | 47,997                                  | 0                                 |
| Maintenance & Repair  | 2,043                                | 8,169                        | 3,916                         | 2,747                                      | 1,696            | 12,851                                  | 2,476                             |
| Supplies              | 5,095                                | 11,551                       | 11,359                        | 3,788                                      | 5,478            | 19,877                                  | 10,429                            |
| Printing & Literature | 102                                  | 275                          | 107                           | 1,747                                      | 104              | 376                                     | 784                               |
| Depreciation          | 1,890                                | 7,885                        | 8,679                         | 0  | 8,592            | 6,421                                   | 0                                 |
| Professional Services | 6,090                                | 16,094                       | 10,700                        | 14,182                                     | 7,919            | 13,738                                  | 64,809                            |
| Advertising/Promotion | 522                                  | 522                          | 522                           | 1,291                                      | 522              | 522                                     | 755                               |
| Interest Expense      | 0                                    | 0                            | 0                             | 0  | 0                | 0                                       | 0                                 |
| Miscellaneous         | 774                                  | 5,149                        | 3,137                         | 1,350                                      | 3,779            | 8,027                                   | 4,195                             |
| Total                 | <u>\$169,520</u>                     | <u>\$437,317</u>             | <u>\$334,082</u>              | <u>\$99,358</u>                            | <u>\$269,116</u> | <u>\$534,262</u>                        | <u>\$282,621</u>                  |

The accompanying notes are an integral part of this statement.

| <u>Biedenharn<br/>Center</u> | <u>Cavanaugh<br/>Center</u> | <u>Serenity<br/>House</u> | <u>The<br/>Cottage</u> | <u>Veterans<br/>Rec. Center</u> | <u>Management<br/>and<br/>General</u> | <u>Total</u>        |
|------------------------------|-----------------------------|---------------------------|------------------------|---------------------------------|---------------------------------------|---------------------|
| \$148,804                    | \$411,565                   | \$0                       | \$0                    | \$17,548                        | \$208,538                             | \$2,010,114         |
| 10,993                       | 30,492                      | 0                         | 0                      | 1,313                           | 15,614                                | \$148,322           |
| 62,026                       | 1,424                       | 0                         | 0                      | 12,430                          | 0                                     | \$102,128           |
| 494                          | 983                         | 3                         | 2                      | 20                              | 87                                    | \$4,413             |
| 264                          | 349                         | 50                        | 50                     | 0                               | 41,942                                | \$44,517            |
| 27,040                       | 28,876                      | 7,752                     | 7,505                  | 225                             | 7,819                                 | \$147,136           |
| 0                            | 3,919                       | 0                         | 0                      | 947                             | 54                                    | \$27,864            |
| 27,280                       | 50,716                      | 5,339                     | 628                    | 1,812                           | 40,762                                | \$320,526           |
| 3,783                        | 5,007                       | 0                         | 0                      | 0                               | 17,591                                | \$43,715            |
| 2,385                        | 47,982                      | 0                         | 0                      | 7,745                           | 0                                     | \$234,642           |
| 6,922                        | 12,972                      | 1,659                     | 1,608                  | 1,221                           | 3,097                                 | \$61,375            |
| 23,111                       | 20,707                      | 753                       | 706                    | 17,958                          | 8,283                                 | \$139,095           |
| 268                          | 376                         | 36                        | 36                     | 0                               | 3,563                                 | \$7,775             |
| 0                            | 8,634                       | 377                       | 1,375                  | 343                             | 31,521                                | \$75,717            |
| 21,378                       | 23,011                      | 2,115                     | 2,715                  | 46                              | 55,853                                | \$239,650           |
| 828                          | 522                         | 254                       | 254                    | 28                              | 3,264                                 | \$9,806             |
| 0                            | 0                           | 0                         | 0                      | 0                               | 15,085                                | \$15,085            |
| 17,754                       | 7,929                       | 858                       | 293                    | 476                             | 75,061                                | 128,782             |
| <u>\$353,330</u>             | <u>\$655,444</u>            | <u>\$19,196</u>           | <u>\$15,170</u>        | <u>\$62,112</u>                 | <u>\$529,134</u>                      | <u>\$ 3,760,662</u> |

## COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

## Statement of Cash Flows

For the Year Ended June 30, 2010

## CASH FLOWS FROM OPERATING ACTIVITIES:

|  |                |
|--|----------------|
| Change in net assets   | \$ 240,591     |
| Adjustments to reconcile change in net assets<br>to net cash provided by operating activities: |                |
| Depreciation   | 75,717         |
| Changes in assets and liabilities:   |                |
| Decrease in grants and contracts receivable  | 109,728        |
| Increase in pledges receivable   | (111,249)      |
| Increase in prepaid insurance  | (2,865)        |
| Increase in investments  | (20,842)       |
| Decrease in other current assets   | 198            |
| Increase in accounts and accrued expenses  | 23,983         |
| Increase in compensated absences payable   | 4,870          |
| Net cash provided by operating activities  | <u>320,131</u> |

## CASH FLOWS USED BY INVESTING ACTIVITIES:

|   |                  |
|---|------------------|
| Acquisition of Partnership Interest       | (15,000)         |
| Purchase of fixed assets                  | <u>(121,641)</u> |
| Net cash provided by investing activities | <u>(136,641)</u> |

## CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:

|                                       |                  |
|---------------------------------------|------------------|
| Proceeds from borrowings              | 183,953          |
| Principal payments on debt            | <u>(246,644)</u> |
| Net cash used by financing activities | <u>(62,691)</u>  |

|                      |         |
|----------------------|---------|
| Net increase in cash | 120,799 |
|----------------------|---------|

|  |                |
|--|----------------|
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>333,325</u> |
|--|----------------|

|  |                          |
|--|--------------------------|
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u><u>\$ 454,124</u></u> |
|--|--------------------------|

## Supplemental disclosures of cash flow information:

|  |                         |
|--|-------------------------|
| Cash paid during the year for interest expense | <u><u>\$ 15,085</u></u> |
|--|-------------------------|

The accompanying notes are an integral part of this statement.



COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Notes to Financial Statements

June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

The Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. is a nonprofit organization exempt for Federal income tax purposes under Section 501(C)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

B. Nature of Activities:

The purpose of the Council is to heighten public awareness that substance abuse is a preventable and treatable disease through a combined strategy of education, public policy changes and the efforts of individuals, families and all elements of the community working in concert. The council operates an information center providing a wide variety of information and referrals. The Council also operates the Caddo Bossier Center, the Adolescent Center, the Cavanaugh Center, and the Buckhalter Hotel that provide long-term residential treatment for adults and teens.

C. Basis of Accounting:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification, the single source of authoritative accounting principles generally accepted in the United States of America (US GAAP).

D. Support and Revenue:

The Council receives its grant, contract support, and program service fees primarily from the State of Louisiana Department of Health and Hospitals and other State Agencies. The Council also receives funds from U.S. Department of HUD and the U.S. Small Business Administration. Support and revenue received from those grants and contracts is recognized on a "net funded" basis whereby State of Louisiana Department of Health and Hospitals, Office for Addictive Disorders funding is recognized on a last-dollar-in basis. Related expenses incurred are "netted" first by client fees and food stamp income in determining grant funds to be recognized. The Council receives client fees and food stamp income for billable client services and recognizes these fees and income when earned.

E. Cash and Cash Equivalents:

For purposes of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(Continued)

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Notes to Financial Statements

June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

F. Property and Equipment:

Purchased property and equipment are stated at cost. The Council's policy is to capitalize and depreciate long-lived assets with a cost of \$1,000 or more. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to seven years (furniture and equipment) to 10 to 39 years (buildings, improvements and leasehold improvements).

G. Contributions:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net asset are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

H. Promises to Give:

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates made by management include realization of receivables and depreciation.

J. Functional Allocation of Expenses:

The costs of providing the Council's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

(Continued)

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Notes to Financial Statements

June 30, 2010

2. Cash

At June 30, 2010, all deposits were fully insured by FDIC insurance.

3. Grants and Contracts Receivable:

Grants and contracts receivable at June 30, 2010 are as follows:

|                                    |                   |
|------------------------------------|-------------------|
| Department of Health and Hospitals | \$ 190,712        |
| Veterans Administration            | 34,500            |
| Caddo Adult Drug Court             | 86,501            |
| Other Receivables                  | <u>93,537</u>     |
| Total                              | <u>\$ 405,250</u> |

All grants and contracts receivable at June 30, 2010, are believed by management to be fully collectible.

4. Unconditional Promises to Give:

Unconditional promises to give at June 30, 2010 consisted of the following:

|   |                   |
|---|-------------------|
| Receivable in less than one year                    | \$ 111,315        |
| Receivable in one to four years                     | <u>195,006</u>    |
| Total unconditional promises to give                | 306,321           |
| Less discounts to present value                     | ( 9,140)          |
| Less allowance for uncollectible pledges            | <u>( 37,974)</u>  |
| Net unconditional promises to give at June 30, 2010 | 259,207           |
| Due within one year                                 | <u>( 111,315)</u> |
| Unconditional promises to give - long-term          | <u>\$ 147,892</u> |

(Continued)

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Notes to Financial Statements

June 30, 2010

5. Property and Equipment:

Property and Equipment consists of the following:

|                               |                     |
|-------------------------------|---------------------|
| Buildings and Land            | \$ 1,175,398        |
| Leasehold Improvements        | 673,107             |
| Furniture and Fixtures        | 36,361              |
| Equipment                     | <u>589,266</u>      |
|                               | 2,474,132           |
| Less Accumulated Depreciation | <u>( 1,155,493)</u> |
| Property and Equipment - Net  | <u>\$ 1,318,639</u> |

6. Notes Payable

Notes payable at June 30, 2010 consist of the following:

Note payable to Iberia Bank, interest at 5.75%, \$3,120 monthly principal and interest beginning April 8, 2010 with a final payment equal to remaining principal and interest due on March 8, 2015; collateralized by real estate. \$ 154,986

Note payable to Regions Bank, interest at 4.23%, \$407 monthly principal and interest beginning September 28, 2009 with a final installment equal to remaining principal and interest due on August 20, 2014; collateralized by certificate of deposit. 18,595

|                                     |                   |
|-------------------------------------|-------------------|
| Total notes payable                 | 173,581           |
| Less: Current portion notes payable | <u>( 33,369)</u>  |
| Long-term portion notes payable     | <u>\$ 140,212</u> |

Maturities of long-term debt including interest of \$24,185 are as follows:  
6/30/2011-\$43,332; 6/30/2012-\$43,332; 6/30/13-\$43,332; 6/30/14 - \$39,720;  
6/30/15 and after \$28,050.

7. Rental Expense

The Council leases the facilities that house its Caddo-Bossier Center for \$1 per year. The Council rents facilities for its Buckhalter and STEPS program on a month to month basis for a total of \$1,950 per month.

(Continued)

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Notes to Financial Statements

June 30, 2010

8. Related Party Transactions

Beginning October, 2007, rental paid by the Section 8 moderate rehabilitation program to the Buckhalter Limited Partnership (Partnership) with respect to clients served by the Council was severely curtailed. Because this rental is required to pay the operating expenses of the Buckhalter Hotel ("Hotel"), which is an integral part of the Buckhalter Program, the Partnership was unable to meet the necessary operating and maintenance expenses necessary to regain full rental payments under the Section 8 program. To meet its commitment to its clients at the Hotel, the Council paid the necessary operating and maintenance costs of the Hotel. The total paid on behalf of the Partnership was \$122,710. In 2009, management determined the Partnership would not be able to repay this amount and expensed the accumulated receivable to bad debts.

In 2010, Section 8 payments were resumed, but at a rate that was insufficient to provide for Hotel operating and maintenance expenses. In 2010, the Council advanced an additional \$38,791 to the partnership for such expenses. These amounts are not expected to be collected from the Partnership and, accordingly, \$38,791 has been charged to expense as a bad debt in the 2010 financial statements. All payments from the Section 8 program have ceased as of June 30, 2010.

The Council was given a 95% in the Buckhalter Limited Partnership valued at \$15,000 during 2010. Because of this ownership interest, the Council has determined that all future operating expenses of The Hotel will be reported as direct expenses for the operation of the Buckhalter Program for years ending after June 30, 2010.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

| <u>FEDERAL GRANTOR/<br/>PROGRAM TITLE *</u>                       | <u>FEDERAL<br/>CFDA<br/>NUMBER</u> | <u>PROGRAM<br/>OR<br/>AWARD<br/>AMOUNT</u> | <u>REVENUE<br/>RECOGNIZED</u> | <u>EXPENDITURES</u> |
|---|------------------------------------|--|-------------------------------|---------------------|
| <u>U.S. Department of Health and Human Services</u>               |                                    |  |                               |                     |
| Passed through the Louisiana Department<br>Of Health & Hospitals: |                                    |  |                               |                     |
| <u>Office for Addictive Disorders</u>                             |                                    |  |                               |                     |
| Subs Abuse Counselor*<br>LSUHSC                                   | 93.959                             | \$43,000                                   | \$25,548                      | \$25,548            |
| Halfway House *<br>Caddo-Bossier Center                           | 93.959                             | 150,300                                    | 142,523                       | 142,523             |
| Halfway House *<br>Adolescent Center                              | 93.959                             | 359,200                                    | 359,200                       | 359,200             |
| Halfway House *<br>Buckhalter Hotel                               | 93.959                             | 242,400                                    | 240,085                       | 240,085             |
| Social Detoxification *<br>S.T.E.P.S.                             | 93.959                             | 156,100                                    | 131,169                       | 131,169             |
| Halfway House *<br>Family Success Institute                       | 93.558                             | 664,380                                    | 535,705                       | 535,705             |
| Inpatient Treatment*<br>Cavanaugh Treatment Center                | 93.959                             | 891,196                                    | 868,036                       | 868,036             |
| Subtotal CFDA 93.558  | 93.588                             | 664,380                                    | 535,705                       | 535,705             |
| Subtotal CFDA 93.959  |                                    | <u>1,842,196</u>                           | <u>1,766,561</u>              | <u>1,766,561</u>    |
| Total - US Department of<br>Health and Human Services             |                                    | <u>2,506,576</u>                           | <u>2,302,266</u>              | <u>2,302,266</u>    |
| <br>Passed through the Louisiana Department<br>of Social Services |                                    |  |                               |                     |
| Supreme Court/TANF<br>1st JDC - Caddo Adult Drug Court            | 93.558                             | 36,387                                     | 36,387                        | 36,387              |
| <br>US Department of HUD  |                                    |  |                               |                     |
| Supportive Housing Program  | 14.235                             | 252,159                                    | 252,159                       | 252,159             |
| <br>Department of Veteran Affairs                                 |                                    |  |                               |                     |
| Transitional Housing Services                                     | N/A                                | <u>45,087</u>                              | <u>45,087</u>                 | <u>45,087</u>       |
| Total - All Federal Awards  |                                    | <u>\$2,840,209</u>                         | <u>\$2,635,899</u>            | <u>\$2,635,899</u>  |

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

Schedule of State Contracts

For the Year Ended June 30, 2010

| <u>FEDERAL GRANTOR/<br/>PROGRAM TITLE *</u>                       | <u>CONTRACT<br/>NUMBER</u> | <u>PROGRAM<br/>OR<br/>AWARD<br/>AMOUNT</u> | <u>REVENUE<br/>RECOGNIZED</u> | <u>EXPENDITURES</u> |
|---|----------------------------|--|-------------------------------|---------------------|
| <u>U.S. Department of Health and Human Services</u>               |                            |  |                               |                     |
| Passed through the Louisiana Department<br>Of Health & Hospitals: |                            |  |                               |                     |
| Office for Addictive Disorders                                    |                            |  |                               |                     |
| LSUHSC*   | 152917                     | \$43,000                                   | \$25,648                      | \$25,548            |
| Pilot Emergency Room  |                            |  |                               |                     |
| Halfway House *   | 052913                     | 150,300                                    | 142,523                       | 142,523             |
| Caddo-Bossier Center  |                            |  |                               |                     |
| Halfway House *   | 052910                     | 359,200                                    | 359,200                       | 359,200             |
| Adolescent Center   |                            |  |                               |                     |
| Outpatient Services   | 152916                     | 38,000                                     | 38,000                        | 38,000              |
| Halfway House*  | 152911                     | 242,400                                    | 240,085                       | 240,085             |
| Buckhalter Hotel  |                            |  |                               |                     |
| Social Detoxification *   | 152918                     | 156,100                                    | 131,169                       | 131,169             |
| S.T.E.P.S.  |                            |  |                               |                     |
| Halfway House *   | 052915                     | 664,380                                    | 535,705                       | 535,705             |
| Family Success Institute  |                            |  |                               |                     |
| Inpatient Treatment*  | 152914                     | <u>891,196</u>                             | <u>868,036</u>                | <u>868,036</u>      |
| Cavanaugh Center  |                            |  |                               |                     |
| Total - Office for<br>Addictive Disorders                         |                            | <u>2,544,576</u>                           | <u>2,340,266</u>              | <u>2,340,266</u>    |
| Total - All State Contracts                                       |                            | <u>\$2,544,576</u>                         | <u>\$2,340,266</u>            | <u>\$2,340,266</u>  |

\* Indicates Federal Awards



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Council on Alcoholism and Drug Abuse  
of Northwest Louisiana, Inc.  
Shreveport, Louisiana

I have audited the financial statements of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. as of and for the year ended June 30, 2010, and have issued my report thereon dated December 10, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected on a timely basis.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

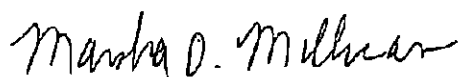
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

810 WILKINSON  
SHREVEPORT, LA 71104-3036  
(318) 221-3881  
FAX: (318) 221-4641



This report is intended solely for the information and use of management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Marsha D. Mulhearn". The signature is fluid and cursive, with a small dot above the 'i' in Mulhearn.

Certified Public Accountant  
December 10, 2010



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors  
Council on Alcoholism and Drug Abuse  
of Northwest Louisiana, Inc.  
Shreveport, Louisiana

### Compliance

I have audited the compliance of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Council's management. My responsibility is to express an opinion on the Council's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Council's compliance with those requirements.

In my opinion, Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

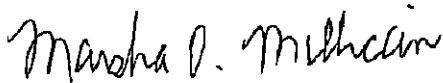
The management of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control over compliance.

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SHREVEPORT, LA 71104-3036  
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A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information of management, the Board of Directors and applicable federal and state cognizant agencies and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant  
December 10, 2010

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Schedule of Findings

For the Year Ended June 30, 2010

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

Finding/Noncompliance

There were no findings for the year ended June 30, 2010.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2010

There were no findings for the year ended June 30, 2009.